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GOVERNMENT EXPENDITURES.

S P E E C H

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HON. MUSCOE R. H. GARNETT, OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES, FEBRUARY 14, 1859.

The House being in the Committee of the Whole on the state of the Union—

Mr. GARNETT said:

Mr. CHAIRMAN: Mr. Calhoun long ago said that the people of every country may be divided into two great classes—a division necessary and eternal—the tax-payers and the tax-consumers. These classes are here fairly arrayed against each other, and the issue between them is well made up. There is a deficiency in the Treasury; and I am glad of it, for it raises the question, "Shall we increase the taxes for the benefit of the tax-consumers, or shall we reduce the expenditures for the relief of the tax-payers?"

This, sir, is the issue to which I shall address myself to-day.

According to the estimate of the Secretary of the Treasury, there will be a deficiency, on the 30th of June, 1860, of \$4,075,848. Add to this the amount asked for the current year as a deficiency by the Postmaster General, of \$3,838,728, and you have a total deficiency for the next fiscal year of \$7,914,576. Now, the gentleman from Pennsylvania, [Mr. PHILLIPS,] who preceded me, labored very hard to swell the amount of this deficiency. He first gives it as does the Secretary; then he raises it to \$27,000,000, then to \$40,000,000, and finally it grows to \$50,000,000. How did he accomplish this feat of arithmetic? By adding the loan of \$20,000,000 made last year—a loan upon a long time, which can in no way be counted among the liabilities of next year.

Mr. PHILLIPS. The gentleman will allow me to correct him. The loan is not included in the \$47,000,000. The loan is to be paid hereafter. I said the Treasury notes being a debt due in July and December respectively, the deficiency in the Treasury on the 1st of July, 1860, would be \$47,000,000; and, of course, that does not include the loan of \$20,000,000.

Mr. GARNETT. Then, sir, the gentleman fails to explain to my mind, or to any one else, how he can calculate on a deficiency of \$47,000,000; unless, indeed, he expects the expenditures to outrun, or the revenues to fall short of, the Secre-

tary's estimates by \$20,000,000. Admit these to be correct, and your deficiency cannot exceed, at the end of the next fiscal year, the Secretary's estimate of nearly \$8,000,000; or, if you add the Treasury notes outstanding, \$27,000,000. But is it fair to count the Treasury notes as a portion of this deficiency? The gentleman will admit, and every member of this House must admit, that, raise what tariff you may, impose what duties you may, the \$20,000,000 due upon Treasury notes must be provided for by a loan or a reissue of those notes. It is only the deficiency of \$7,000,000 that you can hope to meet by raising taxes. I take it, then, that it is conceded, on all sides, that whatever financial policy we may adopt at this session, we shall have to provide by a loan or a reissue for the outstanding Treasury notes. The only present question is how to provide for the alleged deficiency of not quite \$8,000,000 on June 30, 1860.

But, to establish even this deficit, you must expend in the present and the next fiscal years every dollar of appropriation asked for, as well as the entire outstanding balances of existing appropriations—a thing that has never been done before in the whole history of the country; for, from the foundation of the Government down to the present time, there has always been, at the end of the fiscal year, an outstanding balance of appropriations unspent, and, from the nature of things, there always must be. Why, the present fiscal year commenced with an outstanding balance of appropriations of \$16,586,588; and the Secretary estimates that the next fiscal year will commence with an outstanding balance of \$12,478,907. Why, then, should we suppose that the fiscal year, commencing July 1, 1860, will be an exception to all preceding years, and begin without any outstanding balance whatever? Look over the items in the table of outstanding balances making up this \$12,478,907, and you will see that, from their very nature, many can be delayed, and several of them must be delayed.

I say, then, that, according to all past experience, there will, and must be at the end of next

fiscal year, as ever heretofore, an outstanding unexpended balance of appropriations which will more than cover the Secretary's estimated deficiency of \$8,000,000.

But, sir, admit that it does not; admit that you are to spend every cent that is asked for, and every cent of the outstanding balances during the next fiscal year, and, I ask, are these estimates themselves right? Is it necessary to spend \$71,000,000 or \$72,000,000 next year? Has not the time come when we should make some effort to reduce the expenditures of this Government? Will any gentleman say that we should impose taxes for the sake of taxes? Shall I be told that we ought to take a dollar from our constituents—the people of this country—except for the necessary expenses of an economical Government? I take it that even the gentleman Pennsylvania himself will not maintain so monstrous a proposition as that.

But, a few years ago, in 1851-52, the expenditures, exclusive of payments on account of the public debt and awards under the then recent treaty with Mexico, were \$36,022,099; and in 1852-53 the expenditures, exclusive of the same payments on account of the public debt, were \$43,544,262. Last year, in 1857-58, they were \$71,492,398; and the estimates asked for, for the next fiscal year, exclusive of payments of public debt, amount to \$71,254,633.

Now, I beg the committee to remember that this country is as large at this moment as it was in 1851-52, with the exception of the Gadsden purchase. I beg the committee to remember that, if the country now extends from ocean to ocean; if it stretches from Puget Sound to Key West and the Tortugas; if it now spreads from the Aroostook to San Diego, I beg them to remember that so it did in 1851-52. If you have to protect and defend and maintain your Government throughout the whole of this vast region which we now occupy, we held the same region and had the same duties and functions to fulfill six years ago.

Can any gentleman pretend that it is fair, that it is just, that it is legitimate, that the expenses of this Government, in time of profound peace, should have doubled in six years? Look through the list of items, and you will find that the expenditures have doubled in almost every item. Is not there the place to apply the knife? Can we go home to our constituents, and tell them, "you sent us to Congress in time of commercial disaster; at a time when, if the revenues of the Government were languishing, the revenues of the people were still more languishing; we have made no effort to reduce the expenditures of the Government; we have left them at double what they were six years ago; and we imposed additional taxes upon you?" Can the gentleman from Pennsylvania justify such conduct, even to the iron-makers of his own State?

He says the expenditures do not admit of much reduction. Is this probable, in view of the fact that they have doubled in only six years? Let us look through the list, and, even with my brief experience here, with what I admit to be very insufficient knowledge, I think I can point out some important retrenchments, more than enough to meet the estimated deficiency.

First, there are the legislative expenditures. In six years they have grown from \$1,248,018

to \$3,583,524. Does the gentleman from Pennsylvania think that nothing can be lopped off there? Why continue your vast printing expenses? Why should Government enter into the book-publishing business, unless it be to maintain party presses here, and to furnish yourselves with documents and books for electioneering? Perhaps they are needed for that exceedingly intelligent "reading and writing community" which the gentleman from Pennsylvania boasts that he represents. My constituents may not read and write quite so much, but let me tell him that they prefer to read at their own expense, and not at the cost of their tax-paying fellow-citizens.

Now, look at the salaries of the surveyors of your public lands. They constitute rather a small item, but I wish to illustrate this subject in small items as well as in large ones. In 1851-52, they were \$72,528; last year they were \$163,717. In the former year the Mint establishment cost \$140,003; now it costs \$613,487. Why is that? Is it because you have more gold and silver to coin? Not at all. It is because, under the vile system growing up in this country, when you spend money in one district, you are called on to expend a like sum in another.

Patronage and expenditure beget demands for more patronage and more expenditure, until the whole country is dotted over with public establishments, not for the benefit of the public service, but for the advantage of the tax consumers in each locality. A mint is needed at San Francisco, the capital of the modern Ophir. I think that you should have a mint in New York, the second commercial metropolis of the world. But why should there be one in the neighboring city of Philadelphia? Why should you have one in the mountains of North Carolina and of Georgia? Why one at New Orleans? If the system is to continue as it has begun, we will soon have mints in every State of the Union.

The collection of the revenue cost \$2,082,653 in 1852, and \$2,907,432 last year. The Secretary of the Treasury—and I will have something to say presently in answer to the gentleman from Pennsylvania, in defense of that officer—has reported a bill to reduce those expenditures. He proposes to abolish numerous custom-houses where no customs are collected, and cut off numerous offices that are of no use. But who will assist us to take up that bill and act upon it? Will the other side of the House? Will the gentleman from Pennsylvania, or his colleague? I doubt it. Your light-house establishment has, in six years, increased in expense from \$597,466 to \$1,162,857. Why? Not in consequence of necessary lights. On many parts of the northern coast the lights are so numerous that they are a source of danger to the navigators. Instead of guiding them through the shoals and rocks they mislead them to their destruction. I fear it was not the lights, but the patronage that was needed.

The deficit in the marine hospital fund has nearly doubled since 1852, and I might show the same of almost every other head of expenditure.

I know, sir, that many of these extravagances require legislation to correct them, for which there is not time enough remaining. I have not leisure, nor is this the time, to suggest all the remedies. But there are other appropriations even now in our power; there are retrenchments

which may be made even in this brief remnant of the session.

First, then, I find in the estimates \$2,226,000 of appropriations asked for buildings, such as the Capitol, the Washington aqueduct, the Treasury extension, the Patent Office and Post Office, the Insane hospital, the New Orleans and Charleston custom-houses, &c.

I will not ask whether such buildings were originally necessary.

Mr. MILLSON. Permit me—

Mr. GARNETT. I must go on. I have no time to be drawn from the thread of my argument.

Mr. MILLSON. I wish to make a correction, but I will not press it if the gentleman is not inclined to yield to me.

Mr. GARNETT. I would rather rather go on. Now, whatever may have been the original propriety for these buildings, I submit that here the Government ought to do what any prudent private individual would do. If he finds himself in a time of pressure, his first thought is to reduce his expenses, and to postpone all that is not absolutely indispensable.

So with these buildings. We ought not to appropriate more than enough to keep them from dilapidation. Suspend the work upon them. In some cases this will be an advantage to the work itself; in others it can do no harm. Is it well to spend \$300,000 more on the New Orleans custom-house, until we see how far it will sink. It settled more last year than ever before. I believe my colleague [Mr. LETCHER,] fears it will yet break through the crust of earth into the Serbonian bog which he contends underlies New Orleans. This Capitol, again, is built of the most indestructible materials, iron and stone, no wood about it. We are comfortably occupying both wings. Why not postpone the completion? It was said that the estimate last year was to finish it, but of course it has not done so.

The Committee of Ways and Means have already made some reduction here. I would reduce still more. I conclude that \$266,000 for these buildings will be ample. That saves \$2,000,000. Then I come to your navy-yards. I find that the Navy Department for the year 1851-52 cost, for actual expenditures, \$8,928,236; in 1852-53 it cost \$10,891,639. Last year it cost \$13,976,000. This rapid increase raises at least a presumption that something can be saved here. Our Navy had certainly as much to do five years ago as it has now. Why should we spend to-day \$5,000,000 more than we did five years ago—\$6,000,000 more than we did six years ago—increasing at the rate of \$1,000,000 a year? My friend from Georgia [Mr. CRAWFORD] says we have no more men afloat, and, I believe, no more guns. Looking more minutely, I find that in 1851-52 the navy-yards cost \$741,692; in 1852-53 \$693,038; last year \$1,982,923. Why are the expenses of your navy-yards so great? The reason is plain. The navy-yards do not exist for the Navy. If they did, one on the Pacific coast and one or two on the Atlantic would be all-sufficient.

The navy-yards are kept up for the benefit of the people employed, and the money spent. And so we have them dotted in every direction. I believe the gentleman from Georgia [Mr. SEWARD] has one in embryo in the State of Georgia

even now. It is time to stop some of these leaks in our ship of State. It is time to get rid of some of these navy-yards. I ask the chairman of the Committee of Ways and Means if we cannot reduce their expenses? May we not stop the building of walls and houses and new machinery in them, and delay the operations? I think we might take off \$1,000,000 there.

Mr. CRAWFORD. The Committee of Ways and Means has taken off about \$1,000,000.

Mr. GARNETT. I am glad to have their endorsement.

I come next to the items for increase and repairs. Remember that this does not include the building of the sloops ordered last session. There is a distinct estimate for them. This is for the ordinary repairs. It amounts to \$3,100,000. Five years ago it was only \$2,300,000; six years since only \$2,200,000. There, too, we can save about \$1,000,000 by bringing down the expenditures to the former standard. Thus far, I have \$4,000,000 altogether of savings.

Then, sir, come to the Army. First, the fortifications are estimated at \$698,000. The Committee of Ways and Means recommended a reduction of \$650,000. I thank them for the recommendation, and most heartily concur with them. The next item is for armories and arsenals—\$1,467,000. In 1852, they cost \$848,000; in 1853, \$856,000. Why should they cost more now? Why can we not save on that item \$800,000.

Take the next item, for barracks, \$700,000. There again the pruning-knife can be employed. These barracks are built, and expensively built, at points where they are only to be used for a year or two. We are continually changing our frontier forts, and instead of putting up houses like those of the settlers around them, we put up expensive gothic cottages for the officers, and durable barracks for the soldiers. Our Army is but the outpost—the flanking guard of the great column of American emigration; its march is so rapid, that there is scarce time to pitch a camp beside its stations, far less to erect such expensive fortifications. Therefore, I will reduce this item to \$200,000.

Then take the quartermaster's department. The estimates are larger than the expenditures of last year; yet now we have no Mormon war. I acknowledge the difficulty of reducing items like this; I know that it is, to some extent, striking in the dark; but we have reached that point when we must strike in the dark. The Quartermaster General tells you, the Secretary of War tells you, the Committee of Ways and Means tells you, that they cannot control these expenditures; then I say that the only way to control them is the same way that you would control any other extravagant person; that is, by stinting them in money.

Mr. CRAWFORD. In connection with what has been said, I would say that the number of animals in the employ of the United States Army are about nineteen thousand, while the Army itself is only a little over eighteen thousand, and not all full at that.

Mr. FAULKNER. With the permission of my colleague, I will state that the Committee on Military Affairs have given to all the items of expenditure connected with the Army a most careful examination, and they are of opinion that the appropriations for the support of the Army

for the next fiscal year may be reduced below the estimates of the Secretary of War near \$2,000,000, and below the amount recommended by the Committee of Ways and Means upwards of \$1,000,000.

Mr. GARNETT. I knew that my colleague had been devoting his usual ability and industry to that department, and I am glad to have his authority, and the authority of the Committee on Military Affairs, to bear me out. I take, without further investigation, his statement, that he is prepared to propose a reduction of \$2,000,000 in the Army estimates. This makes an aggregate reduction of \$6,000,000; and thus the estimated deficiency is reduced to \$1,900,000.

If, then, you go next to the Post Office Department, and make it self-sustaining, you would at once save, in the next fiscal year, \$6,000,000; and \$4,000,000 of a deficiency for last year. That makes \$10,000,000 more. This \$10,000,000, added to the other \$6,000,000, makes a saving of \$16,000,000; while, against that, the Secretary estimates a deficiency of not quite \$8,000,000; so that you will have an actual surplus of \$8,000,000 at the end of the next fiscal year.

I have, thus far, shown that it is in our power, at this session, to reduce the expenditures, so as not only to cover the deficiency, if there is any such deficiency in existence, but also to produce an actual surplus in the Treasury. I ask gentlemen whether, in the face of these facts, they are prepared to increase the taxes?

But I go one step further. I am prepared to show that the Secretary, so far from erring in an extravagant estimate of revenue, as the gentleman from Pennsylvania says, has erred by underrating it. I can show that the Secretary's estimate will, in all probability—and, after all, it must be a question of probability—be exceeded, and largely exceeded.

It is but natural that a cautious officer, feeling his responsibility and making his calculations at the beginning of the session, should have put the estimate of the revenue at the lowest point; but I must say, while on this matter, that we have an extraordinary spectacle presented to us to-day, indeed, when the Pennsylvania Democratic member of the Committee of Ways and Means, who is generally understood to be peculiarly the friend of the Chief Executive himself upon this question, comes into the House of Representatives and makes a deliberate assault upon the Democratic Secretary of the Treasury.

Mr. PHILLIPS. I beg to say that the gentleman has made two mistakes. In the first place, if I am understood to be the representative of the President, I am misunderstood. In the next place, I am not aware that I made any assault. I spoke merely the truth, according to my belief; and it cannot be fairly construed into an assault upon any one.

Mr. GARNETT. But perhaps the gentleman thought the truth was the severest libel. If the gentleman from Pennsylvania considers that he made no assault upon the Secretary of the Treasury, I think that officer may well request to be delivered from his friends and committed to the tender mercies of his enemies.

The gentleman took the estimate of the revenue during this fiscal year, made by the Secretary a year ago. You must remember that the Secre-

tary made that estimate for the year at a time of the greatest possible commercial depression; at a time when everybody thought the commerce of the country would have revived within the year, and under the new tariff which had not been three months in operation. It is not unnatural, therefore, that he should have erred. But the Secretary now, with the experience of the year, stands in a very different position. Let us examine his present estimates. He estimates the revenue from customs at \$50,444,520. Now we must remember that the trade and commerce of the country were just reviving from the effects of the crisis, in the first quarter of the year. The receipts then were probably less than an average of the whole year—they were nearly \$13,500,000; and the same average would give, for the whole year, about \$54,000,000, or \$3,500,000 more than the Secretary's estimate.

I have a table, taken from authentic sources, showing that the imports into New York, from the 1st of January down to some time in the latter portion of that month, were larger than they were during the same time in 1857. For instance, the goods entered since the 1st of January to that date were \$10,576,607 this year, against \$10,336,476 in 1857; goods entered for consumption \$10,986,445 this year, against \$10,655,983 that year. I have seen a still later table than this, but I have not got it with me, coming down to the first week in February, and showing that the imports and goods entered for consumption up to that period were still larger than those of 1857, the year of the largest importations ever known. Here is proof, and very strong proof, not only that trade is reviving, but that the revival is exactly in that point where we are concerned that it should be—the increase of importations. Look at the returns of the banks, the transport of produce over railroads, and in every direction you find evidence of the revival of commerce and enterprise. And I am informed that the commercial men of New York predicted this thing six months ago. It is no sudden event.

So far as we can rely upon the estimates of commercial men in the commercial metropolis of the country, the customs duties under the present tariff for the present calendar year, and still more for the next fiscal year, will largely exceed \$60,000,000. I say, then, that we are justified in hoping that the customs duties, for the present fiscal year, will be at least \$3,000,000 over what the Secretary estimates; and for the next fiscal year, I will put them at \$60,000,000 instead of \$56,000,000 as he estimated. But the gentleman from Pennsylvania argues that, to produce this revenue, or even the Secretary's estimate, presupposes an unheard-of and impossible amount of imports. He says that the actual revenue of last year was only a certain percentage on the actual imports, excluding specie; and hence a simple rule of three will give the amount of imports required to yield any given amount of revenue. But how fallacious is such a calculation! It presupposes that the imports under the several schedules of duty, and in the free list, always bear the same ratio to each other. But the reverse is true. In times of pressure, a large proportion of the importations are either free goods, or goods that fall under the low schedules. In prosperous times, the tax is less felt, and more of the highly taxed merchan-

dise is imported. This theory accords with facts. The customs, under the tariff of 1846, bore a different ratio to the imports every year. They varied between eighteen and three tenths and twenty-three and one fifth per cent.; or, if you more properly consider the imports entered for consumption, the limits of variation were nineteen and one fifth and twenty-four and one half per cent. The specie imports ought, however, to be included, for, in hard times, a larger part of the returns for our exports comes in that form. The variation is then still greater; or from seventeen and one tenth to twenty-three and eight tenths per cent. Nor is this all my proof. The revenue from the tariff of 1847 varied its ratio to the imports every month and quarter.

Nor can I be alarmed by any amount the country may import. Rely upon it, sir, no people on earth know better than ours how to attend to their own business; and their purchases from the foreigner will, on an average, be balanced by their sales to him. The foreign trade depends upon the surplus of national production; the larger the former, the greater must have been the latter; the vaster our production and our wealth.

I calculate, therefore, that the revenue from customs in this and the next fiscal year, will exceed the Secretary's estimates by not less than \$7,000,000.

But why should the revenue from the public lands be put down at only \$1,400,000 this year, and \$5,000,000 next year? and this in the face of the fact that these lands yielded, even in the year of the crisis, (1857-58,) \$3,500,000? Why should they yield less now? The only reason can be that there are now surveyed and ready for market, but withheld from sale, sixty-two million acres of public lands. Put those lands into market, as they ought to have been long ago, and you will at once see the effect of the revival of trade there also. Offer these lands for sale, and the revenue from that source, instead of being \$1,400,000 this year, and \$5,000,000 the next, will run up largely above those estimates. I should not be afraid to say, that instead of \$6,400,000 for the two years, you would have at least \$9,400,000—\$3,000,000 over the estimate of the Secretary. I will not enter into the question why these lands have been kept from market. I will only ask the gentleman from Pennsylvania, whether it is just or reasonable to attack the Secretary of the Treasury for his under-estimates, until he has shown why the lands have not been made to yield as large a revenue as possible in aid of the revenue from taxes? If these land sales were stopped because of consideration for the squatters upon them, is not some consideration due also to the people at large, whom he would tax to make up for that willfully-created deficiency in the revenue from public lands?

Then, there is, according to the best calculation I can make, at least \$10,000,000 for this and the next fiscal year of revenue in excess of the Secretary's estimate. If you make the reductions I have before indicated, you will have a surplus of \$8,000,000. Add to that the excess over the Secretary's estimate of \$10,000,000, and you will have a surplus at the commencement of the next fiscal year of over \$18,000,000. I have criticized the expenditures of this Government. I have attempted to show where they could be reduced.

The gentleman from Pennsylvania tells us in general terms that he is in favor of some reduction, but he does not believe that much can be made. None can be made, of course, so long as you have votes like those of this morning, and declarations like that made by the gentleman in reference to the Post Office Department.

It is important to the people to know where the fault of these expenditures lies. It is important to them to know to what party to charge them. I am willing, as a member of the Democratic party, to take my full share of responsibility. I say that the records of the country will show that these excessive expenditures, so far as party is concerned, are not to be charged to the Democratic party, for the great majority of its members has voted against them; but they are to be charged to their enemies, combined with a fragment of the Democratic party itself. They have aided to swell the public expenses, whether for the purpose of creating a necessity for increased taxes or not, I will not pretend to say. You have an overland mail route to California. The estimate is that each letter carried over that route, costs the Government sixty dollars.

That, however, is not enough for the tax-consumer's party here. They want another overland mail route from St. Paul to Puget Sound, through the hyperborean snows of our northern frontier. Who voted to strike out that section from the post route bill? Gentlemen on this side or on that? Was it not retained in the bill by gentlemen upon that side, with a small number of the Democrats of this side? Were not the majority of my friend's delegation found voting with the other side?

Mr. FLORENCE. I was not.

Mr. PHILLIPS. Nor I.

Mr. GARNETT. I am happy to hear some of my Pennsylvania friends say that they did not vote for that route; but most of the delegation did. The other day we had another proposition, which I am told represents a combined movement, to continue and revive appropriations for building custom-houses and marine hospitals all over the land. Who voted for it? Who but a small minority of this side uniting with the other side? My friend from Ohio reminds me of the book business. Who carried the order to print Evans's geological survey of Oregon and Washington; a book to cost \$100,000? I do not speak of particular gentlemen, but look at the vote. Again, you will find a small minority here with the bulk of the other side.

Examine the history of the last ten years, and wherever you can trace these extravagant expenditures, these wastings of the public lands, these dilapidations of the public fortunes, these mighty rivers of expenditure to their fountain-heads and originals, you will find the majority of the Democratic party defending the tax-payers and overruled by the growing and organized cohorts of the tax-consumers.

The gentleman from Pennsylvania [Mr. PHILLIPS] says that the founders of the Confederacy did not design the Post Office Department to be self-sustaining. I can see no authority in the Constitution or in history for such an assertion. Our power over the postal service is derived from the power to establish post routes. But is it not a stretch of authority, is it not departing from the

uniform practice of the founders of the Government down to a recent period, to pretend that the mere authority to establish post-roads conveyed an authority to place the Post Office establishment upon the tax-paying community?

You have converted your Post Office into a sort of Adams's Express Company for transportation of freight; and recently we were told that it was to be a civilizing agency; that it was not only to carry letters from the Mississippi to the Pacific, but that it had a higher and nobler function, which was, to people the wilderness; to promote the march of civilization! Why should not the Post Office be self-sustaining? There is not a State in this Union—that is, making the proper deductions—which supports the mail service within its limits. The mails are incumbered with a large amount of free matter. The expenses of the Department are swelled, not by the legitimate business of carrying the mails, but the business of carrying passengers. The Post Office Department was burdened with large subsidies to ocean steamers. I rejoice that the law of last session, if we can preserve it, stops that expense, at least.

In the face of all these facts, however, you refuse to raise the postage, and prefer taxing the people. How many of the poor men of the country, how many of the toiling millions, know or remember the amount of the postage? I admit, that to your rich merchant and banker his postages are a matter of some consequence. I admit, that to your editors it is a fine thing to get their newspaper exchanges free, and extend their circulation at very low rates. On the contrary, little do the real laborers of the country care whether it is three cents or five cents a letter. But it is a matter of great consequence to them that the plow with which they till the earth, the hammer with which they strike the anvil, the clothes they wear, and the sugar and salt they consume should not be heavily taxed, and their families thereby stinted in the necessities and luxuries of life. Yet, sir, that is the question. Will you keep down the postage for the benefit of the rich capitalists of Philadelphia and New York, and tax the people to pay the deficit? or will you raise the postage, make the Department self-sustaining, and keep down the taxes?

But the gentleman says he is in favor of having specific duties, and that instead of letting uninformed appraisers estimate the value of goods, he would have that value estimated by Congress. I dislike to meet any argument by the *argumentum ad hominem*; but I appeal to the House and to the gentleman himself, whether an appraiser, selected among the commercial men of the cities of New York, Philadelphia, or Boston, is not likely to be better informed about the value of goods than is the honorable gentleman, or any other honorable gentleman on this floor? He is in favor of revenue duties, and defines a revenue duty to be one which does not absolutely prohibit the importation of the article. Did my friend learn such a notion as that from "the reading and writing" constituency whom he represents? If so, it is clear to me that there are some strange books in that "reading and writing" community.

We have had a great many controversies about protection and free trade; but never, in all the controversies that have resounded here and in Europe; never, among the vast tomes that have

been written on political economy, have I before heard that a revenue duty was that which did not absolutely prohibit importation.

No, sir; revenue and protection are diametrically opposite. The object of a revenue tariff is to raise the maximum of revenue. It encourages importation; it encourages the people of the different nations of the world to exchange their surplus commodities. It says to the world: "We Americans are not afraid of the competition of any other nation. We are confident in our own resources—in the fertility of our country, in the natural riches with which Providence has endowed us. We are confident in our own genius, and are willing to stand in competition with the whole world." But protection says: "No. Government knows what is best for the interests of the people better than do the people themselves." It tells you that your industry should be directed to one branch of production rather than to another. It attempts to diminish importations, and thereby cuts off the very source of revenue.

I have thus attempted to show that, under any scheme of finance, the Treasury notes must be provided for by a loan or a power to reissue; that the deficiency, therefore, in question, is, by the Secretary's estimate, not quite \$8,000,000; that even this does not really exist, for the outstanding balances of appropriations unexpended at the end of the next fiscal year must exceed that sum. I have further shown that the revenues in that period will exceed the estimates of the Secretary by some \$10,000,000; and that we may and ought to reduce the expenditures at once by a still larger sum. I know, sir, that this last proposal is unpopular with the classes who are benefited by these expenditures. The benefit is confined to a few, and is large for each; the burden of payment falls on the many, and is comparatively small to each; therefore, those who attempt to reduce expenditures will ever encounter the bitter hostility of the small but well-drilled party of the tax consumers, and be supported in a lukewarm way by the numerous but disconnected hosts of the tax-payers. Yet, sir, this is a great moral and constitutional battle which we must steadfastly maintain. For I know not whether extravagant expenditures are more ruinous to our simple Constitution, or more corrupting to our Republican morality.

There are but two modes of organizing parties. One is on principles—principles fixed and eternal; the other is by patronage and expenditure and personal combinations. The State-rights Democratic party commenced its career with the foundation of the Government. It began on principle; on the strict construction of the Constitution; that Government should do as little, and that the individual should do as much, as possible. It has been a party of free trade, of low duties, of economy, of retrenchment, and of a strict construction of the Constitution. It is because it has been such a party that it has commanded the affections of the people of the country.

My heart warms to its old banner, inscribed with the names of so many a glorious achievement and soiled with the smoke of many a gallant action; warms to it when I remember that, under the auspices of that party, our country has grown from the few feeble settlements of 1789 to the magnificent Confederacy in which we now live; warms to it when I remember that it laid down,

in 1798-99, in my own old State, the chart of constitutional construction, which, amid all aberrations, it has ever returned to since; when I remember that, despite the opposition of its foes, it added to our country the mouths of the Mississippi; that it added Florida and Texas, and gave us the Pacific coast. I thank it when I remember that, under its care, we have been gradually brought from a system of high duties, paper currency, and of Government interference, to a system where we have a sound metallic currency, and comparative free trade; where our trade and commerce, our imports and exports, have outstripped those of any other nation of the world.

I value it for all these things; and let me say

to my friends of the Democratic party, that if we once permit ourselves, for the sake of carrying this election or that election, in this State or the other State—ay, even in the old Keystone State itself—to desert our principles, and to become a protectionist party—when we depend for success, not upon principles, but upon expenditure—then the days of the party are numbered, and its *mene, mene, tekel upharsin*, are written on the wall. By adhering to principles, though we may be in the minority for a moment, we will ultimately control and carry the country with us, and command the destinies of the Confederacy and of the western hemisphere, till we shall have fulfilled that high mission on earth for which God designed our race.

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